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Strategic Risk Management for Successful Space & Defence Programmes (4)

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TECHNOLOGY, SAFETY AND THE CUSTOMER FOREMOST: OVERCOMING INSURANCE AND  
REGULATION RISKS IN NEWSpace VENTURES

**Abstract**

The latest wave of NewSpace endeavours are widely recognised by observers of the space sector as having permanently disrupted the traditional/established status quo with new suppliers, more economic hardware and democratisation of access to space helping to open up the industry . Commercial space arrangements, business strategies and legal governance are no less affected by this disruption. Accordingly, traditional means of insurance and established regulatory mechanisms can give rise to challenges when seeking to achieve the maximum benefits derived from NewSpace activities. The present paper identifies the crossover between insurance for and regulation of NewSpace projects, including third party liability protection for launch vehicles, payloads and launch site operations. The paper demonstrates how the risks posed by insurance and regulation can take a disproportionate amount of resource away from NewSpace enterprise, who would otherwise use those resources to identify and resolve risks in matters of technology, operations and safety. The paper then explains how the insurance market has already begun to adapt to the peculiarities of NewSpace business models and capabilities. An examination is then made of the regulatory approaches taken by Australia and the United Kingdom, two territories governing NewSpace through still nascent regulatory frameworks. These case studies are then placed against the United States, commonly acknowledged to be a more “mature” civil NewSpace territory to demonstrate a comparative. From here lessons can be drawn from either side. In concluding, the paper proposes innovative but practical options for best mitigating the obstacles faced when considering current insurance models and regulatory mechanisms to allow for efforts directed at ensuring safety and customer satisfaction in NewSpace endeavours.